

To the Members of the California State Senate:

I am returning Senate Bill 906 without my signature.

Although the purpose of this bill is to clarify that a provider of medical treatments and services in the workers' compensation system may contract out the performance of specified functions, I am concerned that some provisions of this bill may inadvertently undermine existing law. For instance, this bill appears to force health plans that cover medical services later determined to be workers' compensation injuries to accept a loss on their outstanding health plan liens against workers' compensation insurers. In addition, by providing that the changes it makes are declaratory of existing law, this bill would unfairly impact existing liens in the system.

I believe these concerns can be addressed easily with minor amendments to the bill. I encourage the proponents to work to make these changes and pass a revised bill as soon as possible next year.

Sincerely,

Arnold Schwarzenegger